

# EXHIBIT 2

UNITED STATES DISTRICT COURT  
SOUTHERN DISTRICT OF NEW YORK

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IN THE MATTER OF:

UNITED STATES OF AMERICA,

Plaintiff,

v.

THE M/Y AMADEA, A MOTOR YACHT  
BEARING INTERNATIONAL MARITIME  
ORGANIZATION NO. 1012531,  
INCLUDING ALL FIXTURES,  
FITTINGS, MANUALS, STOCKS,  
STORES, INVENTORIES, AND EACH  
LIFEBOAT, TENDER, AND OTHER  
APPURTENANCE THERETO,

Defendant-In-Rem,

and

EDUARD YURIEVICH KHUDAINATOV,  
MILLEMARIN INVESTMENTS LTD.,

Claimants,

Friday,  
November 8, 2024

Washington, D.C.

Case No.  
1:23-cv-09304

1 now that we've found it, you discuss this affair  
2 in paragraph 20 of your report, by the way?

3 A Yes.

4 Q Okay. So, just, the first question  
5 is, the top article on Exhibit 3, is this the  
6 source that you cite at footnote six?

7 A Yes. And you can see here, it's  
8 essentially one sentence, the top one at page  
9 225. Pichugin remains incarcerated to this date,  
10 not record that by the memory of human rights and  
11 is Russia's longest serving political prisoner.

12 Q Okay. So, --

13 A And that is the only point I take from  
14 this article.

15 Q So --

16 A It's very reality.

17 MR. SOHN: And I'll note, for the  
18 record, it's not footnote six as represented by  
19 Mr. Landy. It's footnote nine.

20 MR. LANDY: Oh. Mr. Landy needs new  
21 glasses. All right. So, let's just look at this  
22 then, if you go up and you see footnote nine, and  
23 you go to the beginning of the sentence where  
24 that footnote is.

25 It says in June 2007, Mr. Khudainatov

1 testified against the head of security of Yukos,  
2 Alex Pichugin, who sits in jail and is considered  
3 Russia's longest serving prisoner.

4 Do you see that?

5 THE WITNESS: Yes.

6 BY MR. LANDY:

7 Q So, the first thing is, this -- did  
8 this occur in 2007 or 2003?

9 A I have a feeling that it was in 2005.  
10 Unfortunately, if I've got that, I got it wrong,  
11 because -- and I'm hesitant about the date here.

12 Q And then, the second question is, does  
13 the article or the cited opinion, state anything  
14 about Mr. Khudainatov?

15 The first article in Exhibit 3?

16 A No. No.

17 Q Okay. So, where does that information  
18 come from?

19 A This information came from something  
20 that I did not find sufficient, so that I cited  
21 it. So, this right here should, it is a right  
22 sentence, that the date and that he testified  
23 against Pichugin.

24 The first phrase here is not  
25 sufficiently evidenced.

1 Q Right. So, that's -- we'll dig into  
2 that a little. Why don't you take a look at what  
3 we have marked as Exhibit 4.

4 A Mm-hmm.

5 Q Okay. You see this is an article by  
6 Reuters from 2010?

7 A Mm-hmm.

8 Q Okay. And would you consider Reuters  
9 to be a reliable source?

10 A No, not at all. They have a close  
11 cooperation with TASS. And so they are by in  
12 large not reliable.

13 Q All right.

14 A And here you're seeing, for example,  
15 he was the deputy mayor of Nefteyugansk, when we  
16 have just established that he was not. So, this  
17 is an incorrect statement we can immediately  
18 establish.

19 Q So, why do you think he was not a  
20 deputy mayor of Nefteyugansk?

21 A We have already discussed that, that  
22 he was -- that we already, it's first deputy head  
23 of the administration of Nefteyugansk Raion,  
24 which is not mayor, deputy mayor.

25 It's an incorrect statement. Not very

1 important. But, it shows a lack of precision.

2 Q Right. What I'm interested in is the  
3 last bullet point on the first page. I'm reading  
4 it for the record.

5 He testified for the defense at the  
6 trial of Alexei Pichugin, the Yukos security  
7 service employee who, employee convicted of  
8 organizing the murder of the mayor, according to  
9 Mr. Pichugin's website.

10 A Yes. I find it very dubious.

11 Q At Mr. Pichugin's website?

12 A Yes, sir. It's that you can easily  
13 set up a website. This is nothing that I would  
14 use as a source.

15 And nor would I use Reuters as a  
16 source.

17 Q Okay. Let's go, I've gotten that  
18 website.

19 A Mm-hmm.

20 Q So, that is the second portion of  
21 Exhibit 3. And why don't you go through it. You  
22 don't have to read it in detail. You can if you  
23 wish, but it's long.

24 I'm only really going to talk to you  
25 about this particular point. But, you know, what

1 I'm -- my first question is really going to be,  
2 is whether this -- the story told in this website  
3 is kind of the story that you understand to be  
4 what happened with Mr. Pichugin.

5 A First of all, I would not go into the  
6 detail. Second, I know that it's extremely  
7 controversial. And there's a lot of spurious  
8 evidence from both sides.

9 So, I don't have a clear view about  
10 it. And I intentionally stay out of having a  
11 clear view.

12 But, the only thing here was that I  
13 found certain evidence that Khudainatov had been  
14 on the side of Sechin. And that they have gotten  
15 in touch positively on this.

16 Q Yeah. Who is there --

17 A I don't think --

18 Q Where does it come from?

19 A I got that from some evidence. But,  
20 I did not find sufficiently strong, is what I  
21 cited it.

22 Q Okay.

23 A So, therefore, I think, that I should  
24 cut that out, the first phrase.

25 Q All right. I'll not belabor the

1 point.

2 A Yes. So, but the Pichugin drama is  
3 very complicated. And it's not a sector that I  
4 would.

5 Q All right. So, you will say that the  
6 final sentence of paragraph 20, presumably this  
7 helps explain Mr. Sechin's uncommonly close  
8 friendship with Mr. Khudainatov.

9 Are you still -- you're not going to  
10 stand by that particular conclusion having now  
11 said you can't --

12 A Yes, sir.

13 Q Let me finish the sentence, since you  
14 --

15 A Yeah, I --

16 Q Since you can't be sure that he  
17 actually testified on that side.

18 A I think, very particularly that I  
19 don't have something simply strong evidence for  
20 paragraph 20.

21 Q Okay. So, --

22 A So, this, I think, was a mistake to  
23 include.

24 Q All right. Let's move on. All right.  
25 Now, just to be clear, staying on paragraph 20,



1 very powerful, it means that he has all the  
2 decisions have to be cleared with Putin.

3 Timchenko would not clear decisions.

4 Q How wealthy would you estimate Mr.  
5 Sechin to have been around the time that he  
6 departed the government and took over Rosneft?

7 A Very difficult to say. It's much more  
8 difficult with people who are not supposed to  
9 have wealth, that is state employees, how much  
10 they actually own.

11 And then, if you take a person like  
12 Timchenko, who has a fortune and somewhere of \$20  
13 billion, of course, he owns companies. We can  
14 see which companies he owns and how much they are  
15 worth on the open market.

16 But, when Sechin attacked Rosneft in  
17 some way, we can see his yacht and we can see his  
18 palaces. But, we cannot see his wallet.

19 So, I simply don't have any clear view  
20 of how much it was. And but --

21 MR. LANDY: This might expand on it.  
22 Let's take a look at what I've marked as Exhibit  
23 6, which is an article from the BBC.

24 (Whereupon, the above-referred to  
25 document was marked for identification as Exhibit

1 No. 6 for identification.)

2 THE WITNESS: So, the key point here  
3 Igor Sechin, his wealth is --

4 MR. LANDY: Well, hold on. Let me  
5 just get -- let me ask a question before that.  
6 And I'm going to that.

7 THE WITNESS: Yes.

8 BY MR. LANDY:

9 Q My first question, Professor, is: do  
10 you consider the BBC a reliable source of  
11 information?

12 A And, yes.

13 Q Okay. And, as you were about to note,  
14 you see here that it says that both the -- it  
15 notes the net worth of multiple people.

16 But, with respect to Igor Sechin and  
17 Alexei Miller, it says that their wealth is  
18 unknown. Do you see that?

19 A Yes.

20 MR. SOHN: Objection to form.

21 MR. LANDY: Hum?

22 MR. SOHN: I said objection to form.

23 MR. LANDY: I thought you said  
24 objection, it doesn't. So, sorry. Net worth  
25 unknown. Okay.

1                   So, who is Alexei Miller?

2                   THE WITNESS: The CEO of Gazprom.

3                   Since the second parts were made in 2001.

4                   BY MR. LANDY:

5                   Q       And Gazprom, is it one of the largest  
6                   companies in Russia?

7                   A       It used to be the largest. Probably  
8                   not any longer.

9                   Q       Is it your opinion that Mr. Sechin is  
10                  likely not a billionaire?

11                  A       I would presume that he's a  
12                  billionaire.

13                  Q       Does he have --

14                  A       I don't have any clear view of his net  
15                  worth.

16                  Q       Okay. Is it your opinion that Mr.  
17                  Miller is likely not a billionaire?

18                  A       I would presume that he's a  
19                  billionaire. He has a big palace for himself  
20                  assessed at \$300 million.

21                  Q       Do you agree that it's somewhat common  
22                  in Russia for super wealthy people to avoid  
23                  publicity regarding their wealth?

24                               Not necessarily every person, but  
25                  common?

1           A       Well, it has become, for a very long  
2       time the commissars, their wealth to an  
3       extraordinary extent. If you look up rich people  
4       in various countries, it's very different how  
5       much they advertise their wealth.

6                   And what has been striking in Russia  
7       is that the rich people have advertised their  
8       wealth far more than groups anywhere else.

9           Q       Is this the -- all right. So, let's  
10      go to the Forbes list. We'll mark this as  
11      Exhibit 7.

12                   And this Professor, is a document  
13      where I have the English in front and the Russian  
14      behind. But, the English is simply a machine  
15      translation.

16                   But, given that it's, there's not much  
17      text there, I'm going too hopefully, if you have  
18      something you want to confirm, just flip to the  
19      back. Here is 7.

20                   (Whereupon, the above-referred to  
21      document was marked for identification as Exhibit  
22      No. 7 for identification.)

23                   THE WITNESS: Thank you.

24                   MR. LANDY: All right. First, this is  
25      a definitional question, because I could use the

1 machine translation.

2 For each entry here, after a number  
3 you'll see the Cyrillic MLN. Do you understand  
4 that to mean millions?

5 THE WITNESS: Yes.

6 BY MR. LANDY:

7 Q All right. So, for number one, Andrey  
8 Melnichenko, that would be \$25,200,000,000?

9 A Mm-hmm.

10 Q Okay. Well, sorry, nod please say  
11 yes.

12 A Yes.

13 Q All right. Now, there's a lot of  
14 people on this list, so I might have missed.  
15 But, did you see Mr. Sechin on the list?

16 A No.

17 Q Okay. Did you see Alexei Miller on  
18 the list?

19 A No.

20 Q How about Andrey Kostin?

21 A No.

22 Q Who is Andrey Kostin?

23 A The long time CEO of VTB.

24 Q Okay. Is it your opinion that you  
25 believe him not to be a billionaire?

1           A       I would presume that he's a  
2       billionaire.

3           Q       All right. Do you see Herman Gref.

4           A       No.

5           Q       And who is Herman Gref?

6           A       The long time CEO of Sberbank.

7           Q       Would you presume him not to be a  
8       billionaire?

9           A       No. I would presume that he's a  
10      billionaire.

11          Q       How about Alexey Likhachev?

12          A       Yeah. That I don't know.

13          Q       Cross that one.

14          A       Mm-hmm.

15          Q       So, pull that.

16          A       But, the general feature here is that  
17      the state enterprise managers, if any, have a  
18      need to hide their wealth.

19          Q       Mm-hmm.

20          A       While they're, the people here are  
21      essentially will not hide the businessmen, who  
22      have been or own enterprises.

23                   So, this is the difference. Nor do we  
24      have any security officials here. Where I would  
25      presume that some are also billionaires.

1           Q       Was Mr. Khudainatov not a, part of the  
2       state enterprise for three years?

3           A       Well then, but then he has been in the  
4       private sector for a very long time.

5           Q       Okay.

6           A       People in the private sector are  
7       normally ranked by Forbes, while state enterprise  
8       managers are not, as we have just noticed.

9           Q       I intend to drill down on that a  
10      little bit more. If you turn in your book, so  
11      for that we'll use Exhibit 5 to page 156, I  
12      believe. Six, yes.

13                   First full paragraph discusses Forbes.  
14      This one I'll just read into the record. Since  
15      the early 2000s, Russian Forbes has maintained a  
16      standard rich list of the wealthiest Russians.

17           A       Mm-hmm.

18           Q       Russia has about 100 official  
19      billionaires, which is a lot. But the real  
20      numbers are probably higher. Forbes can  
21      presumably capture the wealth of the old Yeltsin  
22      oligarchs from the 1990s rather well, since it is  
23      publicly displayed, but hardly the hidden wealth  
24      of the later Putin cronies.

25                   All right. Do you still consider that

1 to be a correct statement?

2 A Yes.

3 Q All right.

4 A It's in the line, I should add here  
5 that we have some of the new business men, but  
6 there are not many. If you take Sechin are not  
7 in for example, but I took the new billionaire  
8 have done actual business.

9 But, it's strikingly how few they are.  
10 Most of these people on the Forbes list are, were  
11 very wealthy businessmen already under Putin.

12 Q Yeah. In the 1990s.

13 A Yes.

14 Q Okay. So, I've asked you this before,  
15 but maybe I didn't understand the answer.  
16 There's a bit of a difference between the  
17 information available about the older oligarchs  
18 and those who have gained wealth from say  
19 2004/2005 onward.

20 Is that correct?

21 A I wouldn't say so, it's the difference  
22 between if you have, as I think I said before,  
23 certain people have a need to hide their wealth,  
24 state enterprise officials and state enterprise  
25 managers.



1                   And there the Forbes assessment is not  
2                   very clear or valid. But, and there you have  
3                   organized criminals who fully note that wealth,  
4                   while there is the other organized criminals here  
5                   who were, has most often become real businessmen.

6                   They are the very few. So, the real  
7                   businessmen who have come up later on. I mean,  
8                   but that shows he is very outstanding, him and  
9                   his outstanding group, they are on the list.

10                  Q           So, you'd agree that not appearing on  
11                  the Forbes list of billionaires is by no means a  
12                  dispositive indication that you are not a  
13                  billionaire?

14                  A           I would, yes. But, I would then check  
15                  is it a person who has an actual enterprise. And  
16                  if you have an actual enterprise and are not on  
17                  the list, then you are not likely to be a  
18                  billionaire.

19                  Q           All right. But, --

20                  A           In the Russian business.

21                  Q           But, the controllers of the state  
22                  enterprises would not be on the list, because --

23                  A           Yes.

24                  Q           There are reasons for them not to want  
25                  to be there.

1           A       Yes.

2           Q       All right. And so, you can figure out  
3 how wealthy they are only by looking at say,  
4 yachts and palaces.

5                   MR. SOHN: Objection to form.

6                   MR. LANDY: I'm talking about the  
7 controllers of the state enterprises that aren't  
8 on that list. It's just prior testimony, but I  
9 want to confirm it.

10                   THE WITNESS: Well, you can't see not  
11 how wealthy they are all together. But, you can  
12 see that they are all very wealthy if they have  
13 yachts and palaces that are worth more than \$1  
14 billion.

15                   This is a case with mis-deception.  
16 And I'm not quite sure about Alexei Miller, but  
17 he's probably out there.

18                   BY MR. LANDY:

19           Q       I'm sorry, you're not quite sure about  
20 Alexei Miller?

21           A       Yeah, Alexei Miller, yes.

22           Q       Okay.

23           A       I mean he seems to be there, with  
24 others outstanding.

25           Q       Looking at your commentary on page 155

1 of your book, which is page four, would you agree  
2 that there are forms of wealth accumulation  
3 available to certain people, wealthy people in  
4 the Russian Federation that are difficult to  
5 track?

6 A For certain.

7 Q I'm sorry?

8 A Yes.

9 Q Okay. Let's just flip back, and I'm  
10 going to go to page 45. I'm really not trying to  
11 act like a washing machine that's going backwards  
12 and forward here. It's just how it came out.

13 The page 45, the second to last full  
14 paragraph, so what is this, the Putin circle from  
15 St. Petersburg?

16 Can you describe this for us?

17 A Yes. It's some people who work with  
18 him in the mayor's office. And there we have  
19 Dmitry Medvedev and now that he's the head of  
20 security council.

21 Alexei Kudrin, who was for a long time  
22 the minister of finance. He's not very wealthy.  
23 I know him well.

24 Herman Gref, the head of Sberbank now.  
25 And he is probably very wealthy. And he does

1 is a genius. During the debate with Harris, he  
2 refused to say that he wanted Ukraine to win.  
3 So, this makes him very close to Russia. And  
4 normally we talk about Russian assets as distinct  
5 from Russian agents.

6 BY MR. LANDY:

7 Q Okay, what degrees do you hold?

8 A I have a (foreign language spoken),  
9 which is a master's degree in economics from the  
10 Stockholm School of Economics, a BA from the  
11 University of Stockholm in Russian history and  
12 Polish, and I have a DPhil from Oxford.

13 Q I'm sorry, what from Oxford?

14 A DPhil. A PhD from Oxford.

15 Q In what subject?

16 A Economic history, modern economic  
17 history.

18 Q All right, do you hold any  
19 professional certifications?

20 A I don't think so.

21 Q Have you ever studied accounting?

22 A Yes.

23 Q How?

24 A As part of the Stockholm School of  
25 Economics courses. It's a substantial part of

1       accounting.

2               Q       Have you ever worked as an accountant?

3               A       No.

4               Q       Have you ever studied auditing?

5               A       Not directly, but of course there is  
6       text that I've been involved in.

7               Q       You've been in positions to read  
8       auditing reports of companies?

9               A       Yeah, there being -- I've served on  
10      four corporate boards, and I'm being on the  
11      auditing committee on these boards. Sorry, I'm  
12      speaking too softly.

13              Q       Have you ever been asked to perform a  
14      valuation of a company?

15              A       Yes, I worked for four years on the  
16      board of Vostok Nafta, a Swedish Company that  
17      only invested in energy assets in Russia. I was  
18      also in another related company, (foreign  
19      language spoken) for two years, which also  
20      invested in energy assets in Russia.

21                      And I've served for four and a half  
22      years on Bank Dnipro, a Ukrainian private bank.  
23      And I served for two and a half years on the  
24      Board of Ukrzaliznytsia, the Ukrainian State  
25      Railways mining company with 250,000 employees.

1 And I was on the audit committee there.

2 Q In those roles did you conduct  
3 valuations, or review them?

4 A Review.

5 Q Have you ever taught a class in  
6 valuation?

7 A No.

8 Q Have you ever taught a class in  
9 auditing?

10 A No.

11 Q How about accounting?

12 A No.

13 Q So, in your report, Exhibit No. 1,  
14 let's look at paragraph 40. And in that  
15 paragraph you're discussing a Deloitte valuation  
16 of NNK dated June 30th, 2015.

17 A Correct.

18 MR. SOHN: I'm sorry, Rob, what  
19 paragraph did you just say?

20 MR. LANDY: It's 40, page 50.

21 BY MR. LANDY:

22 Q And there you say that the Deloitte  
23 valuation of NNK of \$8.6 billion is implausible  
24 for four reasons, am I correct?

25 A Yes.

1           Q       All right, let's go through them one  
2       at a time. The first one is Mr. Khudainatov  
3       could possibly have earned that much money. I'm  
4       trying to figure out how that's not a circular --  
5       he doesn't have the money because he doesn't have  
6       the money. Isn't that a circular statement? It  
7       couldn't be \$8.6 billion because he couldn't have  
8       earned it.

9           A       I mean, he must have gotten the money  
10      in some way, and he made the purchase just  
11      before, and if this would have been an accurate  
12      valuation, which it's not, he would have had to  
13      pay a certain amount of money to get it. He  
14      doesn't have the money, he can't get this, it  
15      just shows that it's an impossibility.

16          Q       So, because he didn't have the money  
17      to buy it, he didn't?

18          A       Yeah. If you don't have any money,  
19      you don't become a billionaire all of a sudden.

20                   (Simultaneous speaking.)

21                   MR. LANDY: Different question.

22                   BY MR. LANDY:

23          Q       Are you familiar with the company  
24      Deloitte?

25          A       Yes, very much so.

1 Q Okay, and what is that company?

2 A It's one of the many cheating auditing  
3 companies. You can read every day in Financial  
4 Times about auditing companies have been  
5 cheating. So, when it comes to auditing  
6 companies you need to know what question are they  
7 answering, and that's what I'm checking here.

8 Q So, it's your opinion that in 2015,  
9 were Deloitte audits of companies in the Russian  
10 Federation not reliable?

11 A I have seen too many dubious cases of  
12 this working in Russia and Ukraine. For example,  
13 Gazprom was steadily audited by KPMG, and never  
14 saw that \$10 to \$15 billion was tapped from that  
15 company by Putin -- was tapped from that company.  
16 So the auditing companies, all the time, I mean  
17 read the newspapers, any serious newspaper like  
18 Financial Times, you can read literally every day  
19 about mistakes that have been undertaken by the  
20 auditing companies.

21 Q Your second reason is that starting in  
22 2013 Russian oil assets were declining in value,  
23 not rising. Is that something -- is that pegged  
24 to the price of oil, or different from the price  
25 of oil?



1                   And then the youngest sibling, Alisa  
2                   Gadzhieva, is born in 1987, she has some  
3                   restaurants in Moscow. And this is her business,  
4                   and a person with a few restaurants in Moscow  
5                   would handle 225 billion euros, that's more than  
6                   \$216 million, for some bizarre loan is quite  
7                   incredible.

8                   Q           You said 225 billion, I think you  
9                   meant 225 million?

10                  A           225 million, sorry.

11                  Q           Do you have an understanding of how  
12                  the Kerimov family manages its wealth?

13                  A           Yes, but it's Suleyman Kerimov that  
14                  handles money to his three kids, and the three  
15                  kids of his sister, for some reason his brother I  
16                  have not seen any evidence that he's involved in  
17                  the family business. He stays in Dagestan.

18                  Q           Do you have an understanding of how  
19                  they legally structure the wealth?

20                  A           I mean, they always do it through a  
21                  lot of shell companies.

22                  Q           Okay, so do you believe it is  
23                  impossible that Ms. Gadzhieva was given, in a  
24                  legal manner, enough money to have done that,  
25                  notwithstanding the fact that she didn't make it

1 from her restaurants?

2 A A legal manner, it's a loan to  
3 transfer money to her, I mean it cannot be that  
4 she has earned it. Capital management by Mr.  
5 Kerimov.

6 Q Well, that's not -- I'm not asking  
7 whether she has earned the money from running  
8 restaurants, I won't assume that the restaurants  
9 are even profitable.

10 A I think they are.

11 Q Really?

12 A Yes.

13 Q They're often vanity projects. The  
14 question is whether your statement, you do not  
15 believe that the Kerimov family could have  
16 structured their assets such that Ms. Gadzhieva  
17 would in fact have \$225 million to spend, if she  
18 wanted?

19 A No.

20 Q It just simply wouldn't have happened?

21 A I don't think so.

22 Q Let's go back to just exhibit -- an  
23 earlier one, it's Exhibit 7, and look at page 2,  
24 we'll use the English. You'll see that there's a  
25 number of people here starting with Mr.